



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 10, 2001

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: J. Tyler McCauley  
Auditor-Controller

Subject: **Financial/Compliance Audits of 1999-2000 State Grants**

The Offices of the District Attorney, Public Defender, and Sheriff; the Department of Human Resources; the Probation Department; and the Countywide Criminal Justice Coordination Committee (CCJCC) receive grants from the State Office of Criminal Justice Planning and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

The various departments requested that we arrange for the financial/compliance audits of the 1999-2000 State programs. A total of 43 grants (see Attachment) were included. To audit the grants, we contracted with the public accounting firm of Conrad & Associates, LLP, through our Master Agreement for As-Needed Contract Audits/Studies.

The auditors have reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. The auditors' reports identified a total of \$102,779 of questioned costs (less than one-half of one percent of the total grant expenditures), primarily the result of clerical errors, such as misclassifying a sub-grantee's costs and double claiming of an expense. The auditors also noted some minor weaknesses in internal controls; none were considered material in nature. The departments' responses to the reported findings and recommendations, which are included in the enclosed reports, indicate that the departments will take action to correct the reported problems.

Please call me at (213) 974-8301 if you have any questions, or your staff may call DeWitt Roberts at 974-0301.

JTM:JEM:BL

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Attachment  
Enclosures

**Board of Supervisors**

**July 10, 2001  
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Enclosures

c: David E. Janssen, Chief Administrative Officer  
Steven Cooley, District Attorney  
Lee Baca, Sheriff  
Michael P. Judge, Public Defender  
Michael J. Henry, Director of Personnel  
Richard Shumsky, Chief Probation Officer  
Robert Mimura, Executive Director, CCJCC  
Executive Officer, Board of Supervisors  
Public Information Office  
Audit Committee (6)

**1999-2000 State Grants**  
**List of Grants/Periods Audited**

**Countywide Criminal Justice Coordination Committee Grants:**

Anti-Drug Abuse (ADA) Grant  
Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse (ADA) Grant  
LADEP Project  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000  
7/1/2000 - 12/31/2000

**Department of Human Resources Grant:**

Child Development Programs  
Calif. Dept of Education Grant  
Contract No. GLPC-9018  
7/1/1999 - 6/30/2000

**District Attorney Grants:**

Anti-Drug (CRAFT)  
OCJP Grant  
No. DC98B10190  
7/1/1999 - 6/30/2000

Drug Endangered Children (DEC)  
OCJP Grant  
No. DG97010190  
7/1/1999 - 06/30/2000

Anti-Drug (NEST)  
OCJP Grant  
No. DC99127250  
7/1/1999 - 6/30/2000

Gang Violence - Lancaster  
OCJP Grant  
No. GV99C20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Gang Violence - Lennox  
OCJP Grant  
No. GV99020190  
7/1/1999 - 6/30/2000

Career Criminal Prosecution  
OCJP Grant  
No. CP97080190  
7/1/1999 - 6/30/2000

Juvenile Accountability Incentive  
OCJP Grant  
No. IP98B010190  
4/1/1999 - 3/31/2000  
No. IP99B010190  
4/1/2000 - 6/30/2000

**District Attorney Grants (cont'd):**

Juvenile Offenders  
Intervention Network  
OCJP Grant  
No. JV98030190  
7/1/1999 - 9/30/2000  
No. JV98010190  
7/1/1999 - 6/30/2000

Major Narcotics Vendors  
Prosecution Program  
OCJP Grant  
No. NV99010190  
7/1/1999 - 6/30/2000

Special Emphasis Victim-Witness  
Assistance  
OCJP Grant  
No. SE97080190  
7/1/1999 - 6/30/2000

Stalking and Threat Assessment  
OCJP Grant  
No. V V9701090  
7/1/1999 - 6/30/2000

Statutory Rape Vertical  
Prosecution  
OCJP Grant  
No. SR97030190  
7/1/1999 - 6/30/2000

Victim Witness Assistance  
OCJP Grant  
No. V W97180190  
7/1/1999 - 6/30/2000

Spousal Abuser Protection  
Program (SAPP)  
Department of Justice Grant  
No. 99SA06A010  
7/1/1999 - 6/30/2000

Automobile Insurance Fraud  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

Workers' Compensation Insurance  
Fraud Program  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

**Probation Department Grants:**

Lancaster Gang Violence  
OCJP Grant  
No. GV99D20190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C1090  
7/1/1999 - 6/30/2000

Lennox Gang Violence  
OCJP Grant  
No. GV99A20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Repeat Offender Prevention (ROPP)  
BOC Grant  
No. 084-96  
11/2/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C10190  
7/1/2000 - 12/31/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/LADEP)  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000

Anti-Drug - Drug Court Expansion  
Project (ADA)  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/2000 - 12/31/2000

High School Graduate/GED Program  
OCJP Grant  
No. IP99A10190  
4/1/2000 - 3/31/2001

**Public Defender Grants:**

Vertical Defense of Indigents  
Project (VDI)  
OCJP Grant  
No. VI99010190  
7/1/1999 - 6/30/2000

Client Assessment Recommendation  
Evaluation Project (CARE)  
OCJP Grant  
No. IP98C10190  
4/1/1999 - 6/30/2000

**Sheriff Grants:**

Lennox Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99B10190  
7/1/1999 - 6/30/2000

Lancaster Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99E20190  
7/1/1999 - 6/30/2000

L. A. County Sheriff's Department  
Mentoring Program  
OCJP Grant  
No. ME96010190  
7/1/1999 - 6/30/2000

L.A. County Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Region II Community Based  
Policing Program  
OCJP Grant  
No. CR99020190  
7/1/1999 - 6/30/2000

Community Oriented Multi-Agency  
Narcotics Enforcement (COMNE)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Juvenile/Parent Assistance  
& Accountability Program  
OCJP Grant  
No. IC98010190  
7/1/1999 - 6/30/2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

201 North Figueroa Street  
Los Angeles, California 90012

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**CONRAD AND ASSOCIATES, L.L.P.**

Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT**

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, District Attorney's Office for the grants and periods as noted below.

<u>Grant Name</u>	<u>Grant Number</u>	<u>Audit Period</u>
Anti-Drug Abuse Enforcement (CRAFT)	DC98B10190	07/01/99 - 06/30/00
Anti-Drug Abuse Enforcement (NEST)	DC99127250	07/01/99 - 06/30/00
Anti-Drug Abuse Enforcement (COMNET)	DC98D10190	07/01/99 - 06/30/00
Career Criminal Prosecution	CP97080190	07/01/99 - 06/30/00
Drug Endangered Children (DEC)	DG97010190	07/01/99 - 06/30/00
Gang Violence Suppression - Lancaster	GV99C20190	07/01/99 - 06/30/00
Gang Violence Suppression - Lennox	GV99020190	07/01/99 - 06/30/00
Juvenile Accountability Incentive Block Grant	IP98B10190	04/01/99 - 03/31/00
Juvenile Accountability Incentive Block Grant	IP99B10190	04/01/00 - 06/30/00
Juvenile Offenders Intervention Network	JV98030190	07/01/99 - 09/30/99
Juvenile Offenders Intervention Network	JV98010190	07/01/99 - 06/30/00
Major Narcotics Vendors Prosecution	NV99010190	07/01/99 - 06/30/00
Special Emphasis Victim Assistance	SE97080190	07/01/99 - 06/30/00
Stalking and Threat Assessment	VV97010190	07/01/99 - 06/30/00
Statutory Rape Vertical Prosecution	SR97030190	07/01/99 - 06/30/00
Victim Witness Assistance	VW97180190	07/01/99 - 06/30/00

The amounts included in the OCJP program statements are the responsibility of the County of Los Angeles, District Attorney's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
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As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, District Attorney's Office prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grants and grant periods audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2000 on our consideration of the County of Los Angeles, District Attorney's Office internal control structure and its compliance with laws and regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad And Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Status of Cash

For the Period  
July 1, 1999 through June 30, 2000

<b>Anti-Drug Abuse Enforcement (CRAFT)</b> <b>Grant No. DC98B10190</b> <b>July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 412,582
Grant expenditures	(528,669)
<b>Cash on hand at end of audit period</b>	<b>\$(116,087)</b>

<b>Anti-Drug Abuse Enforcement (NEST)</b> <b>Grant No. DC99127250</b> <b>July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ -
Grant expenditures	(114,666)
<b>Cash on hand at end of audit period</b>	<b>\$(114,666)</b>

<b>Anti-Drug Enforcement (COMNET)</b> <b>Grant No. DC98D10190</b> <b>July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$115,458
Grant expenditures	(115,458)
<b>Cash on hand at end of audit period</b>	<b>\$ -</b>

<b>Career Criminal Prosecution</b> <b>Grant No. CP97080190</b> <b>July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 510,000
Grant expenditures	(728,883)
<b>Cash on hand at end of audit period</b>	<b>\$(218,883)</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Status of Cash

(Continued)

<b>Drug Endangered Children Grant No. DG97010190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 238,165
Grant expenditures*	(355,947)
<b>Cash on hand at end of audit period</b>	<b>\$(117,782)</b>

\* See Note 5 at Notes of OCJP Program Statements.

<b>Gang Violence Suppression – Lancaster Grant No. GV99C20190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 80,557
Grantee matched funds	22,389
Grant expenditures	(111,948)
<b>Cash on hand at end of audit period</b>	<b>\$ (9,002)</b>

<b>Gang Violence Suppression – Lennox Grant No. GV99020190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 89,558
Grantee matched funds	20,860
Grant expenditures	(104,301)
<b>Cash on hand at end of audit period</b>	<b>\$ 6,117</b>

<b>Juvenile Accountability Incentive Block Grant Grant No. IP98B10190 April 1, 1999 through March 31, 2000</b>	
Grant cash received	\$ 1,191,047
Grantee matched funds	148,461
Grant expenditures	(1,484,617)
<b>Cash on hand at end of audit period</b>	<b>\$ (145,109)</b>

See accompanying Notes to OCJP Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Status of Cash

(Continued)

<b>Juvenile Accountability Incentive Block Grant Grant No. IP99B10190 April 1, 2000 through June 30, 2000</b>	
Grant cash received	\$ -
Grantee matched funds	61,773
Grant expenditures	(617,726)
<b>Cash on hand at end of audit period</b>	<b>\$(555,953)</b>

<b>Juvenile Offenders Intervention Network Grant No. JV98030190 July 1, 1999 through September 30, 1999</b>	
Grant cash received	\$ -
Grant expenditures	(9,030)
<b>Cash on hand at end of audit period</b>	<b>\$(9,030)</b>

<b>Juvenile Offenders Intervention Network Grant No. JV98010190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 81,976
Grant expenditures	(94,999)
<b>Cash on hand at end of audit period</b>	<b>\$(13,023)</b>

<b>Major Narcotics Vendors Prosecution Grant No. NV99010190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 258,367
Grant expenditures	(258,367)
<b>Cash on hand at end of audit period</b>	<b>\$ -</b>

<b>Special Emphasis Victim Assistance Grant No. SE97080190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 74,573
Grantee matched funds	18,643
Grant expenditures	(93,216)
<b>Cash on hand at end of audit period</b>	<b>\$ -</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Status of Cash

(Continued)

<b>Stalking and Threat Assessment Grant No. VV97010190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 389,855
Grantee matched funds	139,172
Grant expenditures	(556,690)
<b>Cash on hand at end of audit period</b>	<b>\$ (27,663)</b>

<b>Statutory Rape Vertical Prosecution Grant No. SR97030190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 365,041
Grant expenditures	(407,638)
<b>Cash on hand at end of audit period</b>	<b>\$ (42,597)</b>

<b>Victim Witness Assistance Grant No. VW97180190 July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 2,768,688
Grant expenditures	(3,738,612)
<b>Cash on hand at end of audit period</b>	<b>\$ (969,924)</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

For the Period  
July 1, 1999 through June 30, 2000

<b>Anti-Drug Abuse Enforcement (CRAFT)</b> <b>Grant No. DC98B10190</b> <b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 829,000	451,057	377,943
Operating expenses	447,036	65,252	381,784
Equipment expenses	68,557	12,360	56,197
<b>Totals</b>	<b>\$1,344,593</b>	<b>528,669</b>	<b>815,924</b>

<b>Anti-Drug Abuse Enforcement (NEST)</b> <b>Grant No. DC99127250</b> <b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$114,666	114,666	-
Operating expenses	2,362	-	2,362
Equipment	-	-	-
<b>Totals</b>	<b>\$117,028</b>	<b>114,666</b>	<b>2,362</b>

<b>Anti-Drug Abuse Enforcement (COMNET)</b> <b>Grant No. DC98D10190</b> <b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$220,929	115,458	105,471
Operating expenses	10,338	-	10,338
Equipment	-	-	-
<b>Totals</b>	<b>\$231,267</b>	<b>115,458</b>	<b>115,809</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

(Continued)

<b>Career Criminal Prosecution Grant No. CP97080190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$2,261,009	681,011	1,579,998
Operating expenses	138,991	47,872	91,119
Equipment	-	-	-
<b>Totals</b>	<b>\$2,400,000</b>	<b>728,883</b>	<b>1,671,117</b>

<b>Drug Endangered Children Grant No. DG97010190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Incurred*</b>	<b>Variance</b>
Personal services	\$432,155	214,256	217,899
Operating expenses	208,389	141,691	66,698
Equipment	59,456	-	59,456
<b>Totals</b>	<b>\$700,000</b>	<b>355,947</b>	<b>344,053</b>

\* See **Note 5** at *Notes to OCJP Program Statements*.

<b>Gang Violence Suppression – Lancaster Grant No. GV99C20190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$101,035	101,035	-
Operating expenses	11,465	10,913	552
Equipment	-	-	-
<b>Totals</b>	<b>\$112,500</b>	<b>111,948</b>	<b>552</b>

See accompanying *Notes to OCJP Program Statements*.



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

(Continued)

<b>Gang Violence Suppression - Lennox</b> <b>Grant No. GV99020190</b> <b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$101,035	96,205	4,830
Operating expenses	11,465	8,096	3,369
Equipment	-	-	-
<b>Totals</b>	<b>\$112,500</b>	<b>104,301</b>	<b>8,199</b>

<b>Juvenile Accountability Incentive Block Grant</b> <b>Grant No. IP98B10190</b> <b>April 1, 1999 through March 31, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$2,434,901	1,380,321	1,054,580
Operating expenses	309,800	104,296	205,504
Equipment	94,825	-	94,825
<b>Totals</b>	<b>\$2,839,526</b>	<b>1,484,617</b>	<b>1,354,909</b>

<b>Juvenile Accountability Incentive Block Grant</b> <b>Grant No. IP99B10190</b> <b>April 1, 2000 through June 30, 2000</b>			
	<b>Budget Amount*</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$2,551,345	573,730	1,977,615
Operating expenses	340,517	43,996	296,521
Equipment	-	-	-
<b>Totals</b>	<b>\$2,891,862</b>	<b>617,726</b>	<b>2,274,136</b>

See **Note 6** at *Notes to OCJP Program Statements*.

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

(Continued)

<b>Juvenile Offenders Intervention Network Grant No. JV98030190 July 1, 1999 through September 30, 1999</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$39,725	-	39,725
Operating expenses	49,375	9,030	40,345
Equipment	-	-	-
<b>Totals</b>	<b>\$89,100</b>	<b>9,030</b>	<b>80,070</b>

<b>Juvenile Offenders Intervention Network Grant No. JV98010190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$82,139	82,139	-
Operating expenses	12,860	12,860	-
Equipment	5,000	-	5,000
<b>Totals</b>	<b>\$99,999</b>	<b>94,999</b>	<b>5,000</b>

<b>Major Narcotics Vendors Prosecution Grant No. NV99019190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$237,048	237,048	-
Operating expenses	23,200	21,319	1,881
Equipment	-	-	-
<b>Totals</b>	<b>\$260,248</b>	<b>258,367</b>	<b>1,881</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

(Continued)

<b>Special Emphasis Victim Assistance Grant No. SE97080190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$323,071	89,982	233,089
Operating expenses	33,179	3,234	29,945
Equipment expenses	-	-	-
<b>Totals</b>	<b>\$356,250</b>	<b>93,216</b>	<b>263,034</b>

<b>Stalking and Threat Assessment Grant No. VV97010190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$670,021	341,424	328,597
Operating expenses	292,607	215,266	77,341
Equipment expenses	22,600	-	22,600
<b>Totals</b>	<b>\$985,228</b>	<b>556,690</b>	<b>428,538</b>

<b>Statutory Rape Vertical Prosecution Grant No. SR97030190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 969,054	370,480	598,574
Operating expenses	111,015	37,158	73,857
Equipment expenses	2,931	-	2,931
<b>Totals</b>	<b>\$1,083,000</b>	<b>407,638</b>	<b>675,362</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Approved Budget and Costs Claimed

(Continued)

<b>Victim Witness Assistance Grant No. VW97180190 July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$7,753,194	2,929,078	4,824,116
Operating expenses	1,755,313	809,534	945,779
Equipment expenses	41,493	-	41,493
<b>Totals</b>	<b>\$9,550,000</b>	<b>3,738,612</b>	<b>5,811,388</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

For the Period  
July 1, 1999 through June 30, 2000

<b>Anti-Drug Abuse Enforcement (CRAFT)</b> <b>Grant No. DC98B10190</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$451,057	407,505	43,552	-	7
Operating expenses	65,252	111,308	(46,056)	-	7
Equipment expenses	12,360	9,856	2,504	-	7
<b>Totals</b>	<b>\$528,669</b>	<b>528,669</b>	<b>-</b>	<b>-</b>	

<b>Anti-Drug Abuse Enforcement (NEST)</b> <b>Grant No. DC99127250</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$114,666	114,666	-	-	
Operating expenses	-	-	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$114,666</b>	<b>114,666</b>	<b>-</b>	<b>-</b>	

<b>Anti-Drug Abuse Enforcement (COMNET)</b> <b>Grant No. DC98D10190</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$115,458	115,458	-	-	
Operating expenses	-	-	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$115,458</b>	<b>115,458</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

(Continued)

<b>Career Criminal Prosecution Program Grant No. CP97080190 July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$681,011	681,011	-	-	
Operating expenses	47,872	47,872	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$728,883</b>	<b>728,883</b>	<b>-</b>	<b>-</b>	

<b>Drug Endangered Children Grant No. DG97010190 July 1, 1999 through June 30, 2000</b>					
	Costs Incurred*	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$214,256	214,256	-	-	
Operating expenses	141,691	137,591	4,100	-	8
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$355,947</b>	<b>351,847</b>	<b>4,100</b>	<b>-</b>	

\* See **Note 5** at *Notes to OCJP Program Statements*.

<b>Gang Violence Suppression - Lancaster Grant No. GV99C20190 July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$101,035	101,035	-	-	
Operating expenses	10,913	10,913	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$111,948</b>	<b>111,948</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

(Continued)

<b>Gang Violence Suppression - Lennox</b> <b>Grant No. GV99020190</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$ 96,205	96,205	-	-	
Operating expenses	8,096	8,096	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$104,301</b>	<b>104,301</b>	<b>-</b>	<b>-</b>	

<b>Juvenile Accountability Incentive Block Grant</b> <b>Grant No. IP98B10190</b> <b>April 1, 1999 through March 31, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$1,380,321	1,374,236	6,085	-	<b>10</b>
Operating expenses	104,296	103,563	733	-	<b>10</b>
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$1,484,617</b>	<b>1,477,799</b>	<b>6,818</b>	<b>-</b>	

<b>Juvenile Accountability Incentive Block Grant</b> <b>Grant No. IP99B10190</b> <b>April 1, 2000 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$573,730	573,730	-	-	
Operating expenses	43,996	43,996	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$617,726</b>	<b>617,726</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

(Continued)

<b>Juvenile Offenders Intervention Network</b> <b>Grant No. JV98030190</b> <b>July 1, 1999 through September 30, 1999</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$ -	-	-	-	
Operating expenses	9,030	9,030	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$9,030</b>	<b>9,030</b>	<b>-</b>	<b>-</b>	

<b>Juvenile Offenders Intervention Block</b> <b>Grant No. JV98010190</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$82,139	82,139	-	-	
Operating expenses	12,860	8,515	4,345	-	<b>11</b>
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$94,999</b>	<b>90,654</b>	<b>4,345</b>	<b>-</b>	

<b>Major Narcotics Vendors Prosecution</b> <b>Grant No. NV99010190</b> <b>July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$237,048	237,048	-	-	
Operating expenses	21,319	21,319	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$258,367</b>	<b>258,367</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

(Continued)

<b>Special Emphasis Victim Assistance Grant No. SE97080190 July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$89,982	89,982	-	-	
Operating expenses	3,234	3,234	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$93,216</b>	<b>93,216</b>	<b>-</b>	<b>-</b>	

<b>Stalking and Threat Assessment Grant No. VV97010190 July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$341,424	341,424	-	-	
Operating expenses	215,266	215,266	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$556,690</b>	<b>556,690</b>	<b>-</b>	<b>-</b>	

<b>Statutory Rape Vertical Prosecution Grant No. SR97030190 July 1, 1999 through June 30, 2000</b>					
	Costs Claimed	Per Audit			Note
		Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	
Personal services	\$370,480	370,480	-	-	
Operating expenses	37,158	37,158	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$407,638</b>	<b>407,638</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Statement of Costs Claimed and Accepted

(Continued)

<b>Victim Witness Assistance Grant No. VW97180190 July 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			<b>Note</b>
		<b>Costs Accepted</b>	<b>Costs Questioned</b>	<b>Costs Recommended for Disallowance</b>	
Personal services	\$2,929,078	2,929,078	-	-	
Operating expenses	809,534	809,534	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$3,738,612</b>	<b>3,738,612</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

For the Period  
July 1, 1999 through June 30, 2000

**Note 1: Background**

OCJP awarded grants to the County of Los Angeles, District Attorney's Office for the following program objectives:

- Anti-Drug Abuse Enforcement Program - Criminal Racketeering Asset Forfeiture Task Force (CRAFT) (DC98B10190)

This program targets the identification, prosecution, and conviction of money laundering operations throughout Los Angeles County, utilizing a multi-jurisdictional team of state, federal, and local law enforcement agents working hand-in-hand with specially trained prosecutors, and investigative auditor and fiscal analyst. The CRAFT Task Force will identify and target suspected money laundering activity and its perpetrators through a proven combination of field investigators, criminal intelligence and specialized fiscal analyses of available financial data. A grant modification was completed for Grant No. DC98B10190 which extended the grant through May 31, 2001.

- Anti-Drug Abuse Enforcement Program - Narcotics Enforcement Surveillance Team (NEST) (DC99127250)

The Narcotics Enforcement Surveillance Team comprised of personnel from the Los Angeles Police Department, Los Angeles City Attorney's Office, and the District Attorney's Office. This program's primary purpose is to focus resources to effectively remove conspicuous and commercial drug markets from residential neighborhoods. The law enforcement component of the team conduct surveillance, dead buy, and buy/burst operations to gather evidence to substantiate narcotics-related violations. The prosecution component of the team prosecutes narcotics-related felonies and vertically prosecutes narcotics-related misdemeanors.

For this program the City of Los Angeles was the lead agency awarded the OCJP grant. The District Attorney's Office maintains its own accounting records and submits their claims to the City for reimbursement from OCJP.

- Anti-Drug Abuse Enforcement Program - Community Oriented Multi-Agency Narcotics Enforcement Team (COMNET) (DC98D10190)

This program's primary focus is to address chronic narcotics related problems that affect the quality of life within a neighborhood anywhere in Los Angeles County. Areas of high intensity street drug trafficking will be identified, and the COMNET team will focus enforcement efforts in those locales. An integral part of the program consists of civil abatement, real property seizure, and providing the community with crime prevention and drug demand reduction programs. A grant modification was completed for Grant No. DC98D101090 which extended the grant through December 31, 2000.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 1: Background, (Continued)**

- Career Criminal Prosecution Program (CP97080190)

This program was directed toward career criminals who have significant felony records, who commit robberies or burglaries, and other repeat offenders who commit multiple acts of robbery or burglary. Through the use of enhanced prosecution and investigation efforts, apprehension and incarceration of these individuals will serve to control or reduce the crime rate within Los Angeles County. A grant modification was completed extending the grant through June 30, 2001.

- Drug Endangered Children (DEC) Task Force (DG97010190)

The Los Angeles County DEC Task Force will: 1) Improve the community's response to the needs of methamphetamine-exposed children through development and evaluation of a multi-agency task force which includes written cooperative agreements, protocols, policies and procedures to obtain optimum outcomes for drug-endangered children; and 2) Improve the safety and health of children exposed to toxic chemicals associated with methamphetamine production in Los Angeles County. The DEC Task Force will clarify member-agency roles and responsibilities, resulting in closer working relationships and a more effective law enforcement, health and social service response to this complex drug problem. A grant modification was completed for Grant No. DG97010190 which extended the grant through September 30, 2000.

- Gang Violence Suppression Program (GV99C20190 & GV99020190)

The objectives of these programs was to implement an injunctive relief component within the District Attorney's office to seek intervention and prevention of harmful gang activities through the civil courts and to identify hard-core gang members on probation or parole and target them for accelerated probation/parole violation procedures whenever possible. This program's basic strategies were: 1) Use civil law to reduce gang activity; 2) Identify hard-core gang members on probation or parole; 3) Reduce access to firearms; and 4) Bring Deputy District Attorney's into the community.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 1: Background, (Continued)**

- Juvenile Prosecution Quality Enhancement Programs (IP98B10190 & IP99B10190)

These programs utilize Juvenile Accountability Incentive Block Grant funds to allocate additional experienced trial deputy district attorneys to the Juvenile and Hardcore Gang Divisions serving all Juvenile Courts in the Los Angeles County. The assignments of prosecutors with significantly more trial experience aims at reducing case processing times, eliminating backlogs and enhancing the administration of justice. To achieve the above purposes, the District Attorney's Office implements the Heightened Enforcement and Targeting (HEAT) program, the WIC707 Enhanced Prosecution Unit, the Abolish Chronic Truancy (ACT) Program, the Prosecution Enhancement Program, the Juvenile Offender Intervention Network (JOIN), the Strategies Against Gang Environments Program (SAGE), and the Law-related Education and Decision making Program (Project LEAD).

- Juvenile Offenders Intervention Network (JV98030190 & JV98010190)

This program provided a community-based alternative to the formal juvenile court process for first-time youthful offenders in the Los Padrinos Juvenile Court area. The program offered a new point of intervention in the juvenile justice system, holding youth accountable for their actions while avoiding the costs and time delays inherent in court proceedings. An application has been filed by the grantee for Grant No. IP98B10190 which will extend the grant through September 30, 2000.

- Major Narcotics Vendors Prosecution Program (NV99010190)

This program aimed to reduce major illegal drug activity by convicting and incapacitating through confinement, the offenders who commit serious felony Health and Safety Code violations. The program focused on serious offenders using vertical prosecution and other techniques to maximize conviction rates. A grant modification was completed for Grant No. NV99010190 which extended the grant through June 30, 2001.

- Special Emphasis Victim Assistance Program (SE97080190)

This program provided specialized, bilingual and bicultural victim services to innocent minority victims of gang crimes residing in Compton/Lynwood and East Los Angeles areas. Services were also provided for victims at the Eastlake Juvenile Court. The program funded three full-time Victim Services Representatives and one Student Worker, who provided direct comprehensive services including crisis intervention, follow-up counseling, emergency services, court support and resource referrals, as well as in-service training to law enforcement agencies and community outreach.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 1: Background, (Continued)**

- Stalking and Threat Assessment (VV97010190)

This program takes a unique approach to the issue of stalking. Built on a bulwark of vertical prosecution, cross-disciplinary training, and interagency case management. This program provides for investigation and prosecution of cases involving stalking and terrorist threats. In addition, strategic partnerships with community-based victim service providers will be established to assure that stalking victims receive appropriate and timely referral to services. A grant modification was completed for Grant No. VV97010190 which extended the grant through February 28, 2001.

- Statutory Rape Vertical Prosecution Program (SR97030190)

This program was part of the Los Angeles County District Attorney's Bureau of Family Support Operations and Sex Crimes Division in the first and second year of the program, respectively. The program prosecuted cases of statutory rape occurring in Los Angeles County. The first year program assigned one Deputy District Attorney II and one District Attorney Investigator and the second year program assigned two Deputy District Attorney II, two Senior District Attorney Investigators, and one Victim Services Representative for victim support and one full-time secretary.

- Victim Witness Assistance Program (VW97180190)

This program was a decentralized, prosecution-based program assisting victims and witnesses of crime. Offices were located in courts and law enforcement stations countywide, offering a comprehensive range of services including resource and referral counseling, assistance in filing State of California Victim of Crime compensation claims, employer and creditor intervention, court support, emergency financial assistance, case status/disposition information, restitution referral/assistance, transportation assistance, funeral/burial assistance, and property return.

**Note 2: Summary of Significant Accounting Policies**

The program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP from grant award inception date through June 30, 2000, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, District Attorney's Office financial records.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 2: Summary of Significant Accounting Policies, (Continued)**

Form OCJP-201 was prepared by County of Los Angeles, District Attorney's Office personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

Equipment purchased with grant funds is the property of OCJP. As such, equipment purchased in part or in whole with OCJP grant funds cannot be disposed of, traded, or sold without prior written OCJP approval. Furthermore, transfer of title at the conclusion of each grant award period may be approved by OCJP upon certification that the property will be used for criminal justice related activities or to further the original intent of the grant award.

- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form OCJP-201 for an audit which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Accordingly, the accompanying OCJP program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

**Note 3: Definitions**

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. Costs recommended for disallowance are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grants.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 4: Anti-Drug Abuse Enforcement Program - Community Oriented Multi-Agency Narcotics Enforcement Team (COMNET) (DC98D10190)**

For this program, the County of Los Angeles, Sheriff's Department was the lead agency among three cooperating agencies, including the District Attorney's Office and Public Defender's Office. Each respective agency maintained its own accounting records and submitted their quarterly claims to the Sheriff's Department for reimbursement from OCJP. Claimed costs from each agency were as follows:

<b>Cost Category</b>	<b>Sheriff's Department</b>	<b>Public Defender</b>	<b>District Attorney</b>	<b>Total</b>
<b>Personal expenses</b>	\$1,344,424	115,458	106,056	1,565,938
<b>Operating expenses</b>	87,716	-	-	87,716
<b>Equipment</b>	184,369	-	-	184,369
<b>Total</b>	\$1,616,509	115,458	106,056	1,838,023

**Note 5: Drug Endangered Children Task Force (DG97010190)**

The District Attorney's Office had not submitted Form OCJP-201 for the reporting period April 2000 – June 2000 by the end of audit fieldwork. Costs claimed through March 31, 2000 were \$238,088. We audited the grant expenditures incurred by the Grantee for the period through June 30, 2000 (\$355,947) and, except as noted in the statement of costs claimed and accepted, the expenditures were properly supported and reasonable in accordance with OCJP guidelines.

**Note 6: Juvenile Accountability Incentive Block Grant (IP99B10190)**

As of the end of our fieldwork, OCJP was in the process of finalizing the approval on the grant award and budget for this program. Therefore, the budgeted amounts were based on the grant application submitted by the District Attorney's Office to OCJP.



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 7: Anti-Drug Abuse Enforcement Program (CRAFT) (DC98B10190)**

For this program, we noted misclassification of costs among cost categories. The District Attorney's Office incorrectly classified expenses of sub-grantees as Personal Services Expenses and Equipment Expenses. According to the budget approved by OCJP, all expenses incurred by sub-grantees should be classified as Operating Expenses. We reclassified the expenses of sub-grantees into Operating Expenses according to the approved budget as below:

<b>Cost Category</b>	<b>Before Reclassification</b>	<b>Adjustment</b>	<b>After Reclassification</b>
<b>Personal services</b>	\$451,057	(43,552)	407,505
<b>Operating expenses</b>	65,252	46,056	111,308
<b>Equipment</b>	12,360	(2,504)	9,856
<b>Total</b>	\$528,669	-	528,669

All costs incurred, after reclassification, were within approved budgeted amounts for each cost category.

**Note 8: Operating Costs**

For Grant No. DG97010190, supporting documentation for \$4,100 of operating costs claimed could not be located by the Grantee. As a result, these costs are questioned.

OCJP *Grantee Handbook*, Section 11312, states in part:

“All general ledger account entries for revenues and expenditures must be supported by subsidiary records, if used, and the original source documentation, canceled checks and bank statements. ...Source documentation includes invoices, bills, and vouchers. ... The project must be able to trace the general ledger entries to the OCJP 201...”

**Grantee Response**

The District Attorney's Office agrees with this finding. Steps are being taken to ensure that all expenditures are supported by the original source documentation, invoices, bills, and vouchers, as stated Section 11312 of the OCJP *Grantee Handbook*.

For this program the Los Angeles County District Attorney's Office was the lead agency and the Department of Children and Family Services (DCFS) was the sub-grantee. Each agency maintained its own accounting records and DCFS submitted quarterly claims to the District Attorney's Office for reimbursement from OCJP. Although DCFS provided the District Attorney's Office with a one page itemized expense sheet, it was not accepted by the auditors as legal documentation supporting the \$4,100 in expenses.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

Auditor Comment

We agree with the District Attorney's Office response and corrective action plan. Questioned costs of \$4,100 remain as previously identified.

**Note 9    Operating Expenses**

For Grant No. DG97010190, we noted costs claimed for the purchase of a vehicle had already been claimed in a previous period. As a result, operating costs of \$25,000 are recommended for disallowance.

OCJP *Grantee Handbook*, Section 11312, states in part:

“All general ledger account entries for revenues and expenditures must be supported by subsidiary records, if used, and the original source documentation, canceled checks and bank statements. ...Source documentation includes invoices, bills, and vouchers. ... The project must be able to trace the general ledger entries to the OCJP 201...”

Grantee Response

The District Attorney's Office agrees with this finding and has implemented procedures to ensure costs will not be double-claimed against any grant programs.

The District Attorney's Office has corrected this double-claim by reducing cost claimed in the Operating Cost category by \$25,000, as reflected in the 201 form #5.

Auditor Comment

We concur with the District Attorney's response and corrective action plan. The questioned costs (\$25,000) identified in the draft report are accepted in this final report based upon the documentation provided by the District Attorney's Office.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 10: Operating Costs**

For Grant No. IP98B10190, we noted costs claimed did not agree with underlying supporting accounting records. As a result, personal services costs of \$6,085 and operating costs of \$733 are questioned as follows.

<b>Cost Category</b>	<b>Amount Claimed</b>	<b>Amount Per Grantee's Accounting Records</b>	<b>Variance</b>
<b>Personal services</b>	\$1,380,321	1,374,236	6,085
<b>Operating expenses</b>	104,296	103,563	733

OCJP *Grantee Handbook*, Section 11312, states in part:

“All general ledger account entries for revenues and expenditures must be supported by subsidiary records, if used, and the original source documentation, canceled checks and bank statements. ...Source documentation includes invoices, bills, and vouchers. ... The project must be able to trace the general ledger entries to the OCJP 201...”

**Grantee Response**

The District Attorney's Office agrees with this finding. Steps are being taken to ensure that all expenditures are supported by the original source documentation, invoices, bills, and vouchers, as stated in Section 11312 of the OCJP *Grantee Handbook*.

**Auditor Comment**

We concur with the District Attorney's Office response and corrective action plan. Questioned costs of \$6,818 remain as previously identified.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Notes to OCJP Program Statements

(Continued)

**Note 11: Operating Costs**

For Grant No. JV98010190, we noted costs claimed did not agree with underlying supporting accounting records. As a result, operating costs of \$4,345 are questioned as follows:

<b>Cost Category</b>	<b>Amount Claimed</b>	<b>Amount Per Grantee's Accounting Records</b>	<b>Variance</b>
<b>Operating expenses</b>	\$12,860	8,515	4,345

OCJP *Grantee Handbook*, Section 11312, states in part:

“All general ledger account entries for revenues and expenditures must be supported by subsidiary records, if used, and the original source documentation, canceled checks and bank statements. ...Source documentation includes invoices, bills, and vouchers. ... The project must be able to trace the general ledger entries to the OCJP 201...”

**Grantee Response**

The District Attorney's Office agrees with this finding. Steps are being taken to ensure that all expenditures are supported by the original source documentation, invoices, bills, and vouchers, as stated in Section 11312 of the OCJP *Grantee Handbook*.

Grant No. JV98010190 has been extended and augmented through 6/30/2001, therefore, the questioned costs will be reduced by \$4,345 from the Operating Expense category on the subsequent 201 (claim #7).

**Auditor Comment**

We concur with the District Attorney's response and corrective action plan. The questioned costs remain subject to subsequent verification that the costs in question were removed from subsequent OCJP 201 forms filed related to this grant.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP  
PROGRAM STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the OCJP program statements of the County of Los Angeles, District Attorney's Office for the grants and periods as noted below, and have issued our report thereon dated December 21, 2000.

<u>Grant Name</u>	<u>Grant Number</u>	<u>Audit Period</u>
Anti-Drug Abuse Enforcement (CRAFT)	DC98B10190	07/01/99 - 06/30/00
Anti-Drug Abuse Enforcement (NEST)	DC99127250	07/01/99 - 06/30/00
Anti-Drug Abuse Enforcement (COMNET)	DC98D10190	07/01/99 - 06/30/00
Career Criminal Prosecution	CP97080190	07/01/99 - 06/30/00
Drug Endangered Children (DEC)	DG97010190	07/01/99 - 06/30/00
Gang Violence Suppression - Lancaster	GV99C20190	07/01/99 - 06/30/00
Gang Violence Suppression - Lennox	GV99020190	07/01/99 - 06/30/00
Juvenile Accountability Incentive Block Grant	IP98B10190	04/01/99 - 03/31/00
Juvenile Accountability Incentive Block Grant	IP99B10190	04/01/00 - 06/30/00
Juvenile Offenders Intervention Network	JV98030190	07/01/99 - 09/30/99
Juvenile Offenders Intervention Network	JV98010190	07/01/99 - 06/30/00
Major Narcotics Vendors Prosecution	NV99010190	07/01/99 - 06/30/00
Special Emphasis Victim Assistance	SE97080190	07/01/99 - 06/30/00
Stalking and Threat Assessment	VV97010190	07/01/99 - 06/30/00
Statutory Rape Vertical Prosecution	SR97030190	07/01/99 - 06/30/00
Victim Witness Assistance	VW97180190	07/01/99 - 06/30/00

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*.

Mr. Alan Sasaki  
Auditor-Controller  
County of Los Angeles  
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### Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, District Attorney's Office program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the OCJP program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, the results of our tests disclosed immaterial instances of noncompliance with the above requirements which did affect the program statements. These items have been included in the **Notes to OCJP Program Statements** section of this report. In addition, the results of our tests disclosed immaterial instances of noncompliance which did not affect the program statements. These items have been included in the **Internal Control and Compliance Findings** section of this report.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, District Attorney's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and County of Los Angeles, District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad and Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**INTERNAL CONTROL**

No internal control findings were identified as a result of the auditing procedures applied.

**COMPLIANCE**

**Submission of Progress Reports**

The following progress reports were not submitted in a timely manner:

<b>Grant Name</b>	<b>Grant Number</b>	<b>Reporting Period</b>	<b>Days Late</b>
Anti-Drug Abuse (CRAFT)	DC98B10190	07/01/99 – 12/31/99	A
Anti-Drug Abuse (CRAFT)	DC98B10190	07/01/99 – 06/30/00	A
Career Criminal Prosecution	CP97080190	07/01/99 – 12/31/99	A
Career Criminal Prosecution	CP97080190	07/01/99 – 06/30/00	A
Drug Endangered Children	DG97010190	11/01/99 – 04/30/00	22
Drug Endangered Children	DG97010190	11/01/99 – 10/31/00	A
Gang Violence Suppression-Lancaster	GV99C20190	07/01/99 – 12/31/99	64
Gang Violence Suppression-Lancaster	GV99C20190	07/01/99 – 06/30/00	23
Gang Violence Suppression-Lennox	GV99020190	07/01/99 – 12/31/99	66
Gang Violence Suppression-Lennox	GV99020190	07/01/99 – 06/30/00	23
Juvenile Accountability Incentive Block	IP98B10190	04/01/99 – 06/30/99	A
Juvenile Accountability Incentive Block	IP98B10190	04/01/99 – 09/30/99	A
Juvenile Accountability Incentive Block	IP98B10190	04/01/99 – 03/31/00	181
Juvenile Offender Intervention Network	JV98010190	07/01/99 – 12/31/99	A
Juvenile Offender Intervention Network	JV98010190	07/01/99 – 06/30/00	A
Special Emphasis Victim Assistance	SE97080190	07/01/99 – 12/31/99	A
Special Emphasis Victim Assistance	SE97080190	07/01/99 – 06/30/00	A
Stalking and Threat Assessment	VV97010190	07/01/99 – 12/31/99	21
Stalking and Threat Assessment	VV97010190	07/01/99 – 06/30/00	A
Statutory Rape Vertical Prosecution	SR97030190	07/01/99 – 12/31/99	A
Statutory Rape Vertical Prosecution	SR97030190	07/01/99 – 06/30/00	A

A - Reports could not be located for review.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**INTERNAL CONTROL AND COMPLIANCE FINDINGS, (CONTINUED)**

**COMPLIANCE, (CONTINUED)**

**Submission of Progress Reports (Continued)**

*OCJP Grantee Handbook*, Section 10120, states in part:

“Unless otherwise specified in the Program Guidelines or RFP, OCJP requires one status report and two progress reports for the grant period. The status report covers the first three months of the grant’s operation... All projects are required to submit an original and one copy of the status/progress report to OCJP’s Grants Control unit. These are due 30 calendar days after the end of the reporting period...”

**Recommendation**

We recommend that the Grantee establish procedures to ensure that all status reports are filed and retained for review as required by OCJP guidelines.

**Grantee’s Response**

The District Attorney’s Office agrees with this recommendation and will enforce the existing procedures to ensure that the progress reports are signed and filed as required by OCJP.

**Auditor Comment**

We concur with the corrective action proposed by the District Attorney’s Office.



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**INTERNAL CONTROL AND COMPLIANCE FINDINGS, (CONTINUED)**

**COMPLIANCE, (CONTINUED)**

**Submission of Form OCJP-201's**

The following Form OCJP-201's were not submitted a timely manner:

<b>Grant Name</b>	<b>Grant Number</b>	<b>Request Number</b>	<b>Days Late</b>
Anti-Drug Abuse (CRAFT)	DC98B10190	7	5
Anti-Drug Abuse (CRAFT)	DC98B10190	8	7
Career Criminal Prosecution	CP97080190	11	3
Career Criminal Prosecution	CP97080190	12	26
Drug Endangered Children	DG97010190	6	180
Drug Endangered Children	DG97010190	7	84
Drug Endangered Children	DG97010190	8	B
Gang Violence Suppression-Lancaster	GV99C20190	3	3
Gang Violence Suppression-Lancaster	GV99C20190	4	4
Gang Violence Suppression-Lennox	GV99020190	3	6
Gang Violence Suppression-Lennox	GV99020190	4	9
Juvenile Accountability Incentive Block	IP98B10190	1	9
Juvenile Accountability Incentive Block	IP98B10190	2	99
Juvenile Accountability Incentive Block	IP98B10190	3	189
Juvenile Accountability Incentive Block	IP98B10190	4	279
Juvenile Accountability Incentive Block	IP99B10190	1	122
Juvenile Offender Intervention Network	JV98030190	4	83
Juvenile Offender Intervention Network	JV98010190	3	5
Juvenile Offender Intervention Network	JV98010190	4	143
Major Narcotics Vendors Prosecution	NV99010190	3	5
Major Narcotics Vendors Prosecution	NV99010190	4	4

B – Form OCJP-201 had not been submitted by the Grantee to OCJP by the end of our audit period.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grants

For the Period  
July 1, 1999 through June 30, 2000

**INTERNAL CONTROL AND COMPLIANCE FINDINGS, (CONTINUED)**

**COMPLIANCE, (CONTINUED)**

**Submission of Form OCJP-201's (Continued)**

<b>Grant Name</b>	<b>Grant Number</b>	<b>Request Number</b>	<b>Days Late</b>
Special Emphasis Victim Assistance	SE97080190	10	60
Special Emphasis Victim Assistance	SE97080190	11	3
Special Emphasis Victim Assistance	SE97080190	12	5
Stalking and Threat Assessment	VV97010190	6	20
Stalking and Threat Assessment	VV97010190	7	28
Stalking and Threat Assessment	VV97010190	8	7
Stalking and Threat Assessment	VV97010190	9	35
Statutory Rape Vertical Prosecution	SR97030190	10	3
Statutory Rape Vertical Prosecution	SR97030190	11	5
Victim Witness Assistance Program	VW97180190	11	5
Victim Witness Assistance Program	VW97180190	12	143

*OCJP Grantee Handbook*, Section 6312, states in part:

“With the exception of advance and final payment requests, projects must submit an OCJP-201 (Appendix D) to the Grants Payment Unit within 30 calendar days of the end of the month or reporting period, whether or not funds are requested...”

**Recommendation**

We recommend that the Grantee establish procedures to ensure that OCJP-201's are submitted in a timely manner.

**Grantee Response**

This Office agrees with this recommendation and recently hired additional staff in an effort to meet OCJP deadlines.

**Auditor Comment**

We concur with the corrective action proposed by the District Attorney's Office.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

**STATUS OF PRIOR AUDIT FINDINGS**

The County of Los Angeles, District Attorney's Office prior audit of OCJP state funded grants was performed by Conrad and Associates, L.L.P. The audit report covered the audit period July 1, 1998 through June 30, 1999. The audit report findings identified and the current status of those findings are as follows:

**INTERNAL CONTROL**

No findings were reported in prior year.

**COMPLIANCE**

**Finding 1**

Untimely submission of progress reports for multiple grants.

**Status**

Unresolved; see current year compliance finding.

**Finding 2**

Untimely submission of Form OCJP-201's for multiple grants.

**Status**

Unresolved; see current year compliance finding.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

**EXIT CONFERENCE**

The audit results and the audit report process were discussed with the representatives of the County of Los Angeles, District Attorney's Office noted below on December 21, 2000. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles District Attorney's Office

Carol Domingo	Head, Grants and Contracting Section
Erika Bonilla	Grants Analyst
Shannon Knighton	Grants Analyst
Jeff Wong	Grants Analyst
Suma Uchil	Grants Analyst

Conrad and Associates, L.L.P.

Tom Huey	Senior Auditor
Gordon Ho	Staff Auditor

COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

CONRAD AND ASSOCIATES, L.L.P.  
Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

# COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT**

We have audited the State of California, Department of Justice, Spousal Abuser Prosecution program statements identified in the table of contents of the County of Los Angeles District Attorney's Office for the grant and period noted below:

Grant No.

99SA06A010

Program Audit Period

July 1, 1999 through June 30, 2000

The amounts included in the State of California, Department of Justice program statements are the responsibility of the County of Los Angeles District Attorney's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Office of Criminal Justice Planning (OCJP) Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Audit Program* and *Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the State of California, Department of Justice program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the State of California, Department of Justice program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the State of California, Department of Justice program statements. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 2 to the State of California, Department of Justice program statements, the County of Los Angeles District Attorney's Office prepares the project claim invoices in accordance with Department of Justice requirements. The accounting practices used to prepare the project claim invoices may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying State of California, Department of Justice program statements, which are based on the project claim invoices, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

In our opinion, the State of California, Department of Justice program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grant and grant period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2000 on our consideration of County of Los Angeles District Attorney's Office internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Department of Justice and the County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Lonrad Aud Associates, L.L.P.*

December 21, 2000



**COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

Status of Cash  
July 1, 1999 through June 30, 2000

<b>Grant No. 99SA06A010</b>	
<b>July 1, 1999 through June 30, 2000</b>	
Grant cash received (1)	\$ -
Grantee matching funds	40,000
Grant expenditures	(240,000)
<b>Cash on hand at end of grant period</b>	<b>\$(200,000)</b>

- (1) The County of Los Angeles District Attorney's Office has submitted four claims totaling \$200,000. The Grantee has not received those funds from the State, thus resulting in the negative cash on hand at the end of the grant period.

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

Statement of Approved Budget and Costs Claimed  
July 1, 1999 through June 30, 2000

<b>Grant No. 99SA06A010</b>			
<b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 239,110	239,110	-
Operating expenses	890	890	-
Equipment	-	-	-
<b>Totals</b>	<b>\$ 240,000</b>	<b>240,000</b>	<b>-</b>

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

Statement of Costs Claimed and Accepted  
July 1, 1999 through June 30, 2000

<b>Grant No. 99SA06A010</b>					
<b>July 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			<b>Note</b>
		<b>Costs Accepted</b>	<b>Costs Questioned</b>	<b>Costs Recommended for Disallowance</b>	
Personal services	\$ 239,110	239,110	-	-	
Operating expenses	890	890	-	-	
Equipment	-	-	-	-	
<b>Totals</b>	<b>\$ 240,000</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	

See accompanying Notes to Program Statements.

## COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

### Notes to Program Statements

#### Note 1: **Background**

The Spousal Abuser Prosecution Program (SAPP) is a vertical prosecution enhancement program funded through the State of California, Department of Justice under authority of AB 801, Chapter 599, a statute of 1994. The program implements a prosecution program focusing on defendants under arrest for spousal abuse.

The SAPP program provided \$200,000 in State funds. The County of Los Angeles District Attorney's Office was required to provide \$40,000 in annual matching funds. The combined resources (\$240,000) were budgeted to enhance the District Attorney's Office ability to prosecute defendants under arrest for spousal abuse with emphasis on those serious repeat offenders.

The County of Los Angeles District Attorney's Office submitted annual budgets, which define level of effort and estimated costs to perform services under the program requirements.

#### Note 2: **Summary of Significant Accounting Policies**

The Department of Justice program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by Department of Justice, the project claim invoices and the County of Los Angeles District Attorney's Office financial records.

The Project Claim Invoices were prepared by the County of Los Angeles District Attorney's Office personnel in accordance with the Department of Justice requirements and instructions. The basis of accounting used in preparing the Project Claim Invoice differs from generally accepted accounting principles for the following items:

- Equipment - Equipment purchased with grant funds are included as a cost line item. Generally accepted accounting principles require that the equipment be capitalized and depreciated over its estimated useful life.
- Audit costs - Under certain restrictions, estimated audit costs related to the Department of Justice grant may be claimed on the final Project Claim Invoice for each program year prior to submission of the final claim. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses, or reasonable estimate of cost incurred, that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

**COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

Notes to Program Statements  
(Continued)

**Note 2: Summary of Significant Accounting Policies, (Continued)**

Accordingly, the accompanying Department of Justice program statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

**Note 3: Definitions**

**Questioned costs** are costs that require additional support from the County of Los Angeles District Attorney's Office or require an allowability determination by State of California, Department of Justice. **Disallowed costs** are costs where we have obtained documentary evidence beyond a reasonable doubt that the County of Los Angeles District Attorney's Office is in violation of legislative or regulatory requirements, or specific conditions imposed by the grant agreement.

Mr. J. Tyler McCauley  
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525 Kenneth Hahn Hall of Administration  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF DEPARTMENT OF JUSTICE PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the State of California, Department of Justice program statements of the County of Los Angeles District Attorney's Office for the Spousal Abuser Prosecution Program for the grant and period noted below, and have issued our report thereon dated December 21, 2000.

Grant No.

99SA06A010

Program Audit Period

July 1, 1999 through June 30, 2000

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles District Attorney's Office program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the State of California, Department of Justice program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, the results of our tests disclosed immaterial instances of noncompliance with the above requirements which did not affect the program statements. These items are included in the Internal Control and Compliance Findings Section of this report.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles District Attorney's Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the State of California, Department of Justice program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the State of California, Department of Justice program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Department of Justice and County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad and Associates, L.L.P.*

December 21, 2000

## **COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

Internal Control and Compliance Findings

### **INTERNAL CONTROL**

No internal control findings were identified as a result of the auditing procedures applied.

### **COMPLIANCE**

#### **Finding 1**

The 4<sup>th</sup> Quarterly Report of Expenditures was not submitted in a timely manner as required by the Spousal Abuser Prosecution Program Manual.

*Spousal Abuser Prosecution Program Manual*, Section IV, Paragraph B, states in part:

“Funded projects are required to submit to DOJ a Quarterly Report of Expenditures. This form is due to DOJ by the thirtieth day of each month immediately following each quarter of the grant period and must be submitted whether or not the project has incurred expenses.”

#### **Recommendation**

We recommend that the Grantee establish procedures to ensure that Quarterly Reports of Expenditures are submitted in a timely manner.

#### **Grantee Response**

This Office agrees with this recommendation and recently hired additional staff in an effort to meet deadlines.

#### **Auditor Comment**

We concur with the corrective action plan proposed by the District Attorney's Office.



## **COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

Internal Control and Compliance Findings (Continued)

### **COMPLIANCE (Continued)**

#### **Finding 2**

The timely submission of progress reports could not be determined since the progress reports reviewed did not contain signatures or dates of submission, as required by the Spousal Abuser Prosecution Program Manual.

*Spousal Abuser Prosecution Program Manual*, Section IV, Paragraph A, states in part:

“Pursuant to Penal Code section 273.85(b) funded projects are statutorily required to submit quarterly progress report to DOJ...Quarterly Progress Reports for the current grant period are due to DOJ by the following dates: October 31 of current period, January 31 of current period, April 30 of current grant period, and July 31 of current grant period.”

#### **Recommendation**

The Office of the District Attorney should prepare all progress reports with the proper signatures and submission dates. Program related accomplishments could be impacted by the submission of untimely and incomplete reports.

#### **Grantee Response**

The District Attorney's Office agrees with this recommendation and will enforce the existing procedures to ensure that the progress reports are signed and filed as required.

#### **Auditor Comment**

We concur with the District Attorney's response.

**COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

Status of Prior Year Findings

The grantee was previously audited by Conrad and Associates, L.L.P. There was one finding identified in the prior year audit. The status of the prior audit finding is noted below.

**Finding 1**

The timely submission of progress reports could not be determined since the progress reports reviewed did not contain signatures or dates or submission, as required by the Spousal Abuser Prosecution Program Manual.

**Status**

Unresolved; see current year Finding No.2.

## COUNTY OF LOS ANGELES DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Justice  
Spousal Abuser Prosecution Program

July 1, 1999 through June 30, 2000

Exit Conference

The audit results and the audit report process were discussed with representatives of the County of Los Angeles District Attorney's Office noted below on December 21, 2000. It was explained to those in attendance that the results were subject to a final review prior to the release of the draft audit report. Any changes made based upon this review would be incorporated into the draft audit report.

### County of Los Angeles District Attorney's Office

Carol Domingo	Head, Grants and Contracting Section
Jeff Wong	Grants Analyst
Shannon Knighton	Grants Analyst
Erika Bonilla	Grants Analyst
Suma Uchil	Grants Analyst

### Conrad and Associates, L.L.P.

Tom Huey, C.P.A.	Senior Auditor
Gordon Ho	Staff Auditor

COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period July 1, 1999 through June 30, 2000

CONRAD AND ASSOCIATES, L.L.P.  
Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the State of California, Department of Insurance, Automobile Insurance Fraud program statements identified in the table of contents of the County of Los Angeles District Attorney's Office for the contract period July 1, 1999 through June 30, 2000. The amounts included in the State of California, Department of Insurance program statements are the responsibility of the County of Los Angeles District Attorney's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the State of California, Department of Insurance program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the State of California, Department of Insurance program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the State of California, Department of Insurance program statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the California Department of Insurance program statements referred to in the first paragraph present fairly, in all material respects, the Status of Cash of the Los Angeles County District Attorney's Office for the California Department of Insurance, Automobile Fraud Program, and the related Approved Budget and Claimed Expenditures and the Allowable Costs for the contract period July 1, 1999 through June 30, 2000, in accordance with Section 1872.83 of the Insurance Code, California Code of Regulations, and the County Plan.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2000 on our consideration of the County of Los Angeles District Attorney's Office internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

This report is intended solely for the information and use of the State of California, Department of Insurance and the County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad Aud Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

Status of Cash

For the period  
July 1, 1999 through June 30, 2000

<b>Receipt and Expenditure of Program Funds July 1, 1999 through June 30, 2000</b>	
Grant cash received*	\$1,421,671
Grantee matching funds	-
Grant expenditures	(3,847,094)
<b>Cash on hand at end of grant period</b>	<b>( \$ 2,425,423)</b>

\*Amount of grant cash received includes carryover of fiscal year 98/99 funds in the amount of \$584,208.

See accompanying Notes to Program Statements.



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

Statement of Approved Budget and Costs Claimed

For the period  
July 1, 1999 through June 30, 2000

	<b>Approved Budget*</b>	<b>Costs Claimed</b>	<b>Variance</b>
Salaries and employee benefits	\$ 3,201,838	3,123,046	78,792
Operating expenses	686,910	686,640	270
Equipment expenses	95,460	37,408	58,052
<b>Totals</b>	<b>\$ 3,984,208</b>	<b>3,847,094</b>	<b>137,114</b>

\* Approved budget amounts include carryover of fiscal year 98/99 funds in the total amount of \$584,208.

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

Statement of Costs Claimed and Accepted

For the period  
July 1, 1999 through June 30, 2000

	Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance
Salaries and employee Benefits	\$3,123,046	3,123,046	-	-
Operating expenses -				
Indirect cost	666,632	666,632	-	-
Travel expense	20,008	20,008	-	-
Equipment Expense	37,408	37,408	-	-
<b>Totals</b>	<b>\$3,847,094</b>	<b>3,847,094</b>	<b>-</b>	<b>-</b>

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Notes to Program Statements

**Note 1:   Background**

The Los Angeles County District Attorney's Office entered into the Automobile Fraud Program (Program) with the California Department of Insurance (DOI) for the period July 1, 1999, through June 30, 2000. The funds are to provide for enhanced investigation and prosecution of automobile fraud cases. The funds are available to local district attorneys under provisions of Section 1872.83 of the California Insurance Code. The program provided funding for salaries and employees benefits of attorneys, investigators and support staff.

**Note 2:   Summary of Significant Accounting Policies**

The Los Angeles County District Attorney's Office deposits funds received from the DOI into a County grant trust fund. District Attorney staff prepare journal vouchers to transfer funds from the grant trust fund to the grant revenue account to reimburse the County general fund for Program expenditures. The journal vouchers are prepared based on the District Attorney's internal accounting records which document Program related expenditures.

The Department of Insurance program statements have been prepared from the original County of Los Angeles District Attorney's Office budget of program cost schedules submitted to the Department of Insurance, summary of monthly expenditures and the Office of District Attorney's financial records.

**Note 3:   Definitions**

**Questioned costs** are costs that require additional support from the County of Los Angeles District Attorney's Office or require an allowability determination by State of California, Department of Insurance. **Disallowed costs** are costs where we have obtained documentary evidence beyond a reasonable doubt that the County of Los Angeles District Attorney's Office is in violation of legislative or regulatory requirements, or specific conditions imposed by the grant agreement.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Notes to Program Statements  
(Continued)

**Note 4: Expenditures**

The County of Los Angeles District Attorney's Office grant expenditures were incurred in accordance with Section 1872.83 of the Insurance Code, the Regulations (Subchapter 9, Article 4, Section 2698), the guidelines in the Request for Application, and the County Plan. On a test basis, we verified that personnel time charged to the Program was appropriately certified and limited to personnel funded by the Program. In addition, we verified that direct charges were not included in the Program's indirect costs.

There were no questioned or disallowed costs resulting from the audit of County of Los Angeles District Attorney's Office, Automobile Insurance Fraud Program grant records and reports.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF DEPARTMENT OF INSURANCE PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the State of California, Department of Insurance, Automobile Insurance Fraud program statements of the County of Los Angeles District Attorney's Office for the contract period of July 1, 1999 through June 30, 2000, and have issued our report thereon dated December 21, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles District Attorney's Office program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the State of California, Department of Insurance program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles District Attorney's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the State of California, Department of Insurance program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the State of California, Department of Insurance program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Department of Insurance and the County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad and Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Status of Prior Year Findings

The grantee was previously audited by Conrad and Associates, L.L.P. There were no prior audit findings.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Automobile Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Exit Conference

The audit results and the audit report process were discussed with representatives of the County of Los Angeles District Attorney's Office noted below on December 21, 2000. It was explained to those in attendance that the results were subject to a final review prior to the release of the draft audit report. Any changes made based upon this review would be incorporated into the draft audit report.

County of Los Angeles District Attorney's Office

Carol Domingo	Head, Grants and Contracting Section
Erika Bonilla	Grants Analyst
Shannon Knighton	Grants Analyst
Jeff Wong	Grants Analyst
Suma Uchil	Grants Analyst

Conrad and Associates, L.L.P.

Tom Huey, C.P.A.	Senior Auditor
Gordon Ho	Staff Auditor



COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program  
For the period July 1, 1999 through June 30, 2000

CONRAD AND ASSOCIATES, L.L.P.  
Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the State of California, Department of Insurance, Workers' Compensation Insurance Fraud program statements identified in the table of contents of the County of Los Angeles District Attorney's Office for the contract period July 1, 1999 through June 30, 2000. The amounts included in the State of California, Department of Insurance program statements are the responsibility of the County of Los Angeles District Attorney's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the State of California, Department of Insurance program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the State of California, Department of Insurance program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the State of California, Department of Insurance program statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the California Department of Insurance program statements referred to in the first paragraph present fairly, in all material respects, the Status of Cash of the Los Angeles County District Attorney's Office for the California Department of Insurance, Workers' Compensation Fraud Program, and the related Approved Budget and Claimed Expenditures and the Allowable Costs for the contract period July 1, 1999 through June 30, 2000, in accordance with Section 1872.83 of the Insurance Code, California Code of Regulations, and the County Plan.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2000 on our consideration of the County of Los Angeles District Attorney's Office internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

This report is intended solely for the information and use of the State of California, Department of Insurance and the County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad And Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

Status of Cash

For the period  
July 1, 1999, through June 30, 2000

<b>Receipt and Expenditure of Program Funds July 1, 1999 through June 30, 2000</b>	
Carryover of fiscal year 1998/99 funds	\$ 885,111
Grant cash received	5,367,846
Supplemental funds received	49,534
Grant expenditures	(5,672,998)
<b>Cash on hand at end of grant period - carryover of fiscal year 99/00 funds</b>	<b>\$ 629,493</b>

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

Statement of Approved Budget and Costs Claimed

For the period  
July 1, 1999 through June 30, 2000

	<b>Approved Budget*</b>	<b>Costs Claimed</b>	<b>Variance</b>
Salaries and employee benefits	\$4,968,530	4,549,137	419,393
Operating expenses	1,220,156	1,026,528	193,628
Equipment expenses	113,805	97,333	16,472
<b>Totals</b>	<b>\$6,302,491</b>	<b>5,672,998</b>	<b>629,493</b>

\* Approved budget amounts include carryover of fiscal year 98/99 funds in the total amount of \$885,111.

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

Statement of Costs Claimed and Accepted

For the period  
July 1, 1999 through June 30, 2000

	Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance
Salaries and employee benefits	\$4,549,137	4,549,137	-	-
Operating expenses	1,026,528	1,026,528	-	-
Equipment expenses	97,333	97,333	-	-
<b>Totals</b>	<b>\$5,672,998</b>	<b>5,672,998</b>	<b>-</b>	<b>-</b>

See accompanying Notes to Program Statements.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Notes to Program Statements

**Note 1: Background**

The Los Angeles County District Attorney's Office entered into the Workers' Compensation Fraud Program (Program) with the California Department of Insurance (DOI) for the period July 1, 1999, through June 30, 2000. The funds are to provide for enhanced investigation and prosecution of workers' compensation fraud cases. The funds are available to local district attorneys under provisions of Section 1872.83 of the California Insurance Code.

The program provided funding for salaries, employee benefits and operating expenditures of attorneys, investigators and support staff. The actual costs of program operations was \$629,493 under the approved budget. This amount has been requested to be made available as a carry-over of funds to the next fiscal year.

**Note 2: Summary of Significant Accounting Policies**

The Los Angeles County District Attorney's Office deposits funds received from the DOI into a County grant trust fund. District Attorney staff prepare journal vouchers to transfer funds from the grant trust fund to the grant revenue account to reimburse the County general fund for Program expenditures. The journal vouchers are prepared based on the District Attorney's internal accounting records which document Program related expenditures.

The Department of Insurance program statements have been prepared from the original County of Los Angeles District Attorney's Office budget of program cost schedules submitted to the Department of Insurance, summary of monthly expenditures and the Office of District Attorney's financial records.

**Note 3: Definitions**

**Questioned costs** are costs that require additional support from the County of Los Angeles District Attorney's Office or require an allowability determination by State of California, Department of Insurance. **Disallowed costs** are costs where we have obtained documentary evidence beyond a reasonable doubt that the County of Los



**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Notes to Program Statements  
(Continued)

**Note 3: Definitions (Continued)**

Angeles District Attorney's Office is in violation of legislative or regulatory requirements, or specific conditions imposed by the grant agreement.

**Note 4: Expenditures**

The County of Los Angeles District Attorney's Office grant expenditures were incurred in accordance with Section 1872.83 of the Insurance Code, the Regulations (Subchapter 9, Article 3, Section 2698), the guidelines in the Request for Application, and the County Plan. On a test basis, we verified that personnel time charged to the Program was appropriately certified and limited to personnel funded by the Program. In addition, we verified that direct charges were not included in the Program's indirect costs.

There were no questioned or disallowed costs resulting from the audit of County of Los Angeles District Attorney's Office, Workers' Compensation Insurance Fraud Program grant records and reports.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2766

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF DEPARTMENT OF INSURANCE PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the State of California, Department of Insurance, Workers' Compensation Insurance Fraud program statements of the County of Los Angeles District Attorney's Office for the contract period of July 1, 1999 through June 30, 2000, and have issued our report thereon dated December 21, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles District Attorney's Office program statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the State of California, Department of Insurance program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles District Attorney's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the State of California, Department of Insurance program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the State of California, Department of Insurance program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Department of Insurance and the County of Los Angeles District Attorney's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Lowndes and Associates, L.L.P.*

December 21, 2000

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Status of Prior Year Findings

The grantee was previously audited by Conrad and Associates, L.L.P. There were no prior audit findings.

**COUNTY OF LOS ANGELES  
DISTRICT ATTORNEY'S OFFICE**

Report on Audit of State of California  
Department of Insurance  
Workers' Compensation Insurance Fraud Program

For the period  
July 1, 1999 through June 30, 2000

Exit Conference

The audit results and the audit report process were discussed with representatives of the County of Los Angeles District Attorney's Office noted below on December 21, 2000. It was explained to those in attendance that the results were subject to a final review prior to the release of the draft audit report. Any changes made based upon this review would be incorporated into the draft audit report.

County of Los Angeles District Attorney's Office

Carol Domingo	Head, Grants and Contracting Section
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Suma Uchil	Grants Analyst

Conrad and Associates, L.L.P.

Tom Huey, C.P.A.	Senior Auditor
Gordon Ho	Staff Auditor